

By Mark Hrywna, *The NonProfit Times*

Federal legislation aimed at improving coordination between the nonprofit sector and federal government would establish two new entities on The Hill and compile data on the health of the sector if passed by Congress and signed by the president.

Rep. Betty McCollum (D-Minn.) has introduced "The Nonprofit Sector and Community Solutions Act" (H.R. 5533), which was referred to the Committee on Oversight and Government Reform; the Committee on Education and Labor, and the Committee on Science and Technology.

The next step is to get bipartisan support for the bill as well as the administration, said Independent Sector (IS) President and CEO Diana Aviv said.

The idea behind the legislation, Aviv said, has been kicking around since she testified before Congress last year, recommending the idea of a Small Business Administration (SBA) for nonprofits. "It's something we've been interested in and been very actively involved in crafting and shaping of it," she said. "The idea of doing it at this time in this form was the congresswoman's."

The measure would increase a presence for the nonprofit sector in government in three critical ways, according to Aviv: produce annual reports and recommendations and convene summits; interagency coordination by being in the White House, similar to the Social Innovation Fund and Office of Faith-based and Neighborhood Partnerships; and require the Department of Commerce to collect the kind of data it compiles about the for-profit sector and make it available to the nonprofit sector. Data provided by the Bureau of Labor Statistics would include nonprofits as a distinct category of employer.

"Even though the nonprofit sector plays a critical role in the success of federal, state and local programs, the federal government currently has a minimal relationship with it," McCollum said. The bill "aims to not only build a strong relationship between the federal government and the nonprofit sector but also give the nonprofit sector a voice to raise concerns and propose solutions to our nation's challenges," she said.

The bill would create a bipartisan, 16-member U.S. Council on Nonprofit Organizations and Community Solutions, headed up by an executive director, as well as the Interagency Working Group on Nonprofit Organizations and the Federal Government.

The council would study how the federal government can "work more effectively with nonprofits to achieve better outcomes in addressing national and community challenges." The working group would provide cabinet members, White House officials and heads of federal agencies "a venue to eliminate conflicting and inconsistent federal policies that relate to nonprofits."

Members of the working group would include the head of the White House Office of Faith-based and Neighborhood Partnerships, head of the Office of Social Innovation and Civic Participation, CEO of the Corporation for National and Community Service (CNCS), Internal Revenue Service commissioner, and chairman of the National Endowment for the Humanities and the chairman of National Endowment for the Arts, director of the Census and the director of the Office of Management and Budget.

The executive director of the council would earn an annual salary of approximately \$160,000, the same level as under secretaries of state and the SBA administrator, among other federal executive positions. Members of the council would be unpaid. Of the 16, five would be appointed by the president, three by the House majority leader, two by the House minority leader, three by the Senate majority leader and two by the Senate minority leader. The chairman of the working group will be a nonvoting member. The proposed bill states that members of the council would have experience or expertise in management, operation or support of nonprofits, social entrepreneurship and innovation, philanthropy, qualitative and quantitative research, or management and operation of businesses.

One existing federal agency would be tasked to compile data on nonprofits and develop metrics for performance, establish reporting requirements, and expand information to better inform Congress on the impacts of nonprofit organizations. The bill sets aside \$5 million during Fiscal Year 2011 for the research.

Lee Mason, director of nonprofit speech rights at Washington, D.C.-based OMB Watch, said that at first glance the bill looks like an outstanding piece of legislation. "The process by which they formed this office, and inclusionary practices they use, would be the most important piece" of the legislation, Mason said. "We're in support anytime relationships between government and nonprofits are very much valued. It raises the value of the nonprofit community and the work

that they do throughout the country in serving communities," he said, putting them on a playfield field of for-profit corporations and "elevating our voice."

Added Mason: "The greater number of voices that participate in the formation of the office, the more inclusionary it will be."

The nonprofit sector historically has strong connections with government, in some cases providing almost a third of the sector's budget. At the same time, nonprofits work with government to hold them accountable or in partnership. In the end, Congress has oversight responsibility of exempt organizations.

The business sector has different vehicles through which to do its work, from the SBA to the Department of Commerce, and it "doesn't seem to have compromised business," Aviv said.